

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 100287
ORIGIN EB-07

INFO OCT-01 EUR-12 EA-07 ISO-00 AID-05 CIAE-00 COME-00
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05
SS-15 STR-04 CEA-01 PA-01 PRS-01 SIG-01 /091 R

DRAFTED BY EB/IFD/OMA: T A FORBORD

APPROVED BY EB: P H BOEKER

CEA: D COOPER

TREAS: D KLOCK

EUR/RPE: P LAASE

EA/J: D SMITH

E: J EINHORN

EB/IFD/OMA: C C CUNDIFF

S/S: P SEBASTIAN

-----040400Z 118900 /15

R 040045Z MAY 77

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

INFO ALL OECD CAPITALS

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE STATE 100287

E.O. 11652: N/A

TAGS: EFIN, EGEN, US

SUBJECT: U.S. ECONOMIC FORECASTS FOR 1977

REF: TOKYO 6093 (NOTAL); STATE 90618

1. THE PRESS REPORTS THAT ADMINISTRATION HAS LOWERED ITS FORECAST FOR REAL GNP GROWTH FOR 1977 FROM 5.4 PERCENT TO 4.9 PERCENT AND RAISED ITS FORECAST FOR CPI INCREASE FROM

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 100287

5.3 PERCENT TO 6.7 PERCENT ARE CORRECT, BUT SOME EXPLANATION IS NEEDED.

2. THE ABOVE FORECAST OF REAL GNP GROWTH IS A YEAR-OVER-YEAR FIGURE AND THE INFLATION FORECAST IS A DECEMBER-OVER-DECEMBER FIGURE. BOTH ARE HEAVILY INFLUENCED BY THE RESULTS OF THE FIRST QUARTER OF 1977. THE COLD WEATHER IN

THIS QUARTER CAUSED THE DOWNWARD REVISION OF THE GROWTH FORECAST AND THE UPWARD REVISION OF THE INFLATION FORECAST WHICH WERE CITED IN PRESS REPORTS.

3. IT SHOULD BE NOTED, HOWEVER, THAT THE ADMINISTRATION'S FORECAST FOR REAL GNP GROWTH BETWEEN THE FOURTH QUARTER 1976 AND THE FOURTH QUARTER 1977 (THE FOURTH-QUARTER-OVER-FOURTH-QUARTER FORECAST) REMAINS UNCHANGED AT 5.75 TO 6 PERCENT. IN DISCUSSIONS WHICH MAY OCCUR WITH HOST GOVERNMENTS, POSTS SHOULD EMPHASIZE THE FOURTH-QUARTER-OVER-FOURTH-QUARTER GROWTH FORECAST AS THIS BEST REFLECTS THE OVERALL PERFORMANCE OF THE U.S. ECONOMY IN 1977. IT IS THE FORECAST WE USE IN OUR DISCUSSIONS WITH FOREIGN GOVERNMENTS.

4. WHILE THERE HAS BEEN THE INCREASE CITED ABOVE IN THE FORECAST OF CPI, THIS INCREASE DOES NOT INDICATE A WORSENING TREND. THE CPI INCREASE BEING FORECAST FOR THE SECOND HALF OF 1977 IS 5.5 PERCENT AT AN ANNUAL RATE.

VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GNP, ECONOMIC ESTIMATES
Control Number: n/a
Copy: SINGLE
Sent Date: 04-May-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE100287
Document Source: CORE
Document Unique ID: 00
Drafter: T A FORBORD
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770155-0876
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770595/aaaaddts.tel
Line Count: 82
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8d518c9a-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 TOKYO 6093, 77 STATE 90618
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2643084
Secure: OPEN
Status: NATIVE
Subject: U.S. ECONOMIC FORECASTS FOR 1977
TAGS: EFIN, EGEN, ECON, US, JA
To: TOKYO
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/8d518c9a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009